

# House Study Bill 25

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL  
BY CHAIRPERSON ELGIN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act restricting executive branch authority to transfer  
2 appropriations between departments.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1488HC 81  
5 jp/pj/5

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1 1 Section 1. Section 8.39, subsections 2 and 3, Code 2005,  
1 2 are amended to read as follows:  
1 3 2. ~~a. If Subject to the restrictions provided in~~  
1 4 ~~paragraphs "b" and "c", if the appropriation of a department,~~  
1 5 ~~institution, or agency is insufficient to properly meet the~~  
1 6 ~~legitimate expenses of the department, institution, or agency,~~  
1 7 ~~the director, with the approval of the governor, may make an~~  
1 8 ~~interdepartmental transfer from any other department,~~  
1 9 ~~institution, or agency of the state having an appropriation in~~  
1 10 ~~excess of its needs, of sufficient funds to meet that~~  
1 11 ~~deficiency.~~  
1 12 ~~b. An interdepartmental transfer to an appropriation which~~  
1 13 ~~is not an entitlement appropriation is not authorized when the~~  
1 14 ~~general assembly is in regular session and, in addition, the~~  
1 15 ~~sum of interdepartmental transfers in a fiscal year to an~~  
1 16 ~~appropriation which is not an entitlement appropriation shall~~  
1 17 ~~not exceed fifty percent of the amount of the appropriation as~~  
1 18 ~~enacted by the general assembly. For the purposes of this~~  
1 19 ~~subsection, an entitlement appropriation is a line item~~  
1 20 ~~appropriation to the state public defender for indigent~~  
1 21 ~~defense or to the department of human services for foster~~  
1 22 ~~care, state supplementary assistance, or medical assistance,~~  
1 23 ~~or for the family investment program.~~  
1 24 ~~c. In addition to the provisions of paragraph "b", the~~  
1 25 ~~total amount of interdepartmental transfers in a fiscal year~~  
1 26 ~~made to an appropriation shall be limited to one million~~  
1 27 ~~dollars, except when one of the following circumstances is~~  
1 28 ~~applicable:~~  
1 29 ~~(1) The transfer or transfers are made during the final~~  
1 30 ~~thirty days of the fiscal year.~~  
1 31 ~~(2) The director requests the legislative council to~~  
1 32 ~~approve a resolution concurring with a proposed transfer. The~~  
1 33 ~~director shall include with the request the information~~  
1 34 ~~required by subsection 3. The resolution must be approved by~~  
1 35 ~~a majority of the membership of the legislative council and~~  
2 1 ~~the transfer shall not be made prior to the date the~~  
2 2 ~~resolution is approved. However, if, within thirty calendar~~  
2 3 ~~days of receiving the request, the legislative council does~~  
2 4 ~~not act to approve or reject a resolution concurring with the~~  
2 5 ~~proposed transfer, the transfer shall be considered to be~~  
2 6 ~~approved.~~  
2 7 3. Prior to any transfer of funds pursuant to subsection 1  
2 8 ~~or 2 of this section~~ or a transfer of an allocation from a  
2 9 subunit of a department which statutorily has independent  
2 10 budgeting authority, the director shall notify the  
2 11 chairpersons of the standing committees on ~~budget~~  
2 12 ~~appropriations~~ of the senate and the house of representatives  
2 13 and the chairpersons of subcommittees of such committees of  
2 14 the proposed transfer. The notice from the director shall  
2 15 include information concerning the amount of the proposed  
2 16 transfer, the departments, institutions or agencies affected  
2 17 by the proposed transfer and the reasons for the proposed  
2 18 transfer. Chairpersons notified of a transfer pursuant to

2 19 subsection 1 or a transfer of an allocation from a subunit of  
2 20 a department that statutorily has independent budgeting  
2 21 authority shall be given at least two weeks to review and  
2 22 comment on the proposed transfer before the transfer of funds  
2 23 is made.

2 24 EXPLANATION

2 25 This bill restricts the authority of the director of the  
2 26 department of management to make interdepartmental transfers  
2 27 of appropriations. Under existing law in Code section 8.39,  
2 28 the director, with the approval of the governor, may make such  
2 29 transfers provided certain reports are made to certain  
2 30 legislative committees and members. If the general assembly  
2 31 is in regular session, current law only allows  
2 32 interdepartmental transfers to entitlement appropriations,  
2 33 defined as those made for indigent defense and certain  
2 34 department of human services programs. In addition, current  
2 35 law does not allow the sum of transfers to an appropriation  
3 1 which is not an entitlement appropriation to exceed 50 percent  
3 2 of the amount of the appropriation.

3 3 The bill applies a new restriction limiting the total  
3 4 amount transferred in a fiscal year to an appropriation to \$1  
3 5 million, unless made during the final 30 days of the fiscal  
3 6 year or unless the legislative council approves a resolution  
3 7 concurring with the proposed transfer requested by the  
3 8 director of the department of management. The director of the  
3 9 department of management must include with the request for a  
3 10 resolution the reasons for the transfer and other information  
3 11 required under current law. The resolution must be approved  
3 12 by a majority of the membership of the legislative council and  
3 13 the transfer cannot be made prior to the date of the  
3 14 resolution's approval. However, if the legislative council  
3 15 does not act within 30 calendar days of receiving the request  
3 16 to approve or reject a resolution concurring with the proposed  
3 17 transfer, the transfer shall be considered to be approved.

3 18 Under current law, the chairpersons of the appropriations  
3 19 committees and the appropriations subcommittees are to be  
3 20 notified prior to an intradepartmental or interdepartmental  
3 21 transfer and have two weeks to review and comment on the  
3 22 transfer. Under the bill, the two-week period only applies to  
3 23 intradepartmental transfers.

3 24 LSB 1488HC 81

3 25 jp:rj/pj/5